MUNICIPAL POTASH TAX SHARING ADMINISTRATION BOARD

FINANCIAL STATEMENTS

For the Year Ended December 31, 2002

Provincial Auditor Saskatchewan

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AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Municipal Potash Tax Sharing Administration Board as at December 31, 2002 and the statement of revenue, expenditures and net financial assets for the year then ended. The Board is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Municipal Potash Tax Sharing Administration Board as at December 31, 2002 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
January 16, 2003

Fred Wendel, CMA, CA
Provincial Auditor

Statement 1

Municipal Potash Tax Sharing Administration Board
Statement of Financial Position
As at December 31

	2002	2001
Financial Assets		
Current Assets:		
Cash	$18,449	$21,139
Net Financial Assets - (Statement 2)	$18,449	$21,139

(See accompanying notes to the financial statements)

Statement 2

Municipal Potash Tax Sharing Administration Board
Statement of Revenue, Expenditures and Net Financial Assets
For Year Ended December 31

			2002	2001
Revenue:				
Municipal taxes received from rural municipalities (Note 5)			$5,909,515	$6,226,636
Less: Tax sharing distributions (Schedule 1)				
Areas of Influence	Rural	Urban		
Saskatoon Lanigan	$3,079,673	$342,186	3,421,859	3,642,655
Esterhazy	1,905,281	211,698	2,116,979	2,111,778
Pense	325,632	36,181	361,813	462,863
	$5,310,586	$590,065	5,900,651	6,217,296
Revenue held for general administration (Note 4)			8,864	9,340
Expenditures:				
Office facilities - Saskatchewan Association of Rural Municipalities			6,000	6,000
Secretary-Treasurer's Honorarium			3,950	3,950
Board members' allowances:				
Per diem			700	700
Mileage			505	0
Sustenance			248	0
Insurance			150	150
Bank Charges			1	0
			11,554	10,800
Surplus (Deficit) for the year			(2,690)	(1,460)
Net financial assets, beginning of year			21,139	22,599
Net financial assets, end of year - to Statement 1			$18,449	$21,139

(See accompanying notes to the financial statements)

MUNICIPAL POTASH TAX SHARING ADMINISTRATION BOARD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2002

1. Authority

The Municipal Potash Tax Sharing Administration Board was established under Section 3 of *The Municipal Tax Sharing (Potash) Act* (Act). Under provisions of the Act, taxes levied by rural municipalities on potash mines are remitted to the Board. The Board administers the tax sharing program established under the Act. Disbursements to municipalities, located within the areas of influence of a potash development, are made on the basis of formulae prescribed in regulations to the Act.

2. Significant Accounting Policies

The financial statements are prepared in accordance with Canadian generally accepted accounting principles.

3. Cash Flow Statement

A cash flow statement has not been provided since cash flow information is readily apparent from the other financial statements.

4. Administration Costs

The regulations permit the Board to withhold up to 0.5% of taxes received, to a maximum of $25,000, for the general administration of the Board. During the year, the Board withheld 0.15% of taxes received totalling $8,864.

5. Municipal Taxes Received From Rural Municipalities

Municipality	RM#	Budget 2002	Actual 2002	Actual 2001
Rocanville	151	$ 707,661	$ 707,662	$ 699,906
Spy Hill	152	683,567	683,568	763,736
Pense	160	362,358	362,357	463,559
Langenburg	181	728,928	728,928	651,308
Usborne	310	1,006,454	1,006,454	1,105,237
Colonsay	342	577,825	577,826	612,726
Blucher	343	538,354	549,808	577,907
Corman Park	344	555,477	555,476	566,863
Vanscoy	345	737,435	737,436	785,394
		$ 5,898,059	$ 5,909,515	$ 6,226,636

6. Budget

The budgeted amounts disclosed in these statements are those approved by the Municipal Potash Tax Sharing Administration Board.

Municipal Potash Tax Sharing Administration Board

Schedule of Tax Sharing Distributions Made to Municipalities
For the Year Ended December 31

		Budget 2002	Actual 2002	Actual 2001
Saskatoon/Lanigan Area				
Rural Municipalities				
279	Mount Hope	567	569	573
280	Wreford	23,885	23,965	23,272
281	Wood Creek	2,357	2,365	2,553
283	Rosedale	1,181	1,185	1,267
309	Prairie Rose	55,322	55,509	56,884
310	Usborne	265,061	265,956	263,302
312	Morris	173,649	174,235	178,469
313	Lost River	116,071	116,463	119,273
314	Dundurn	114,830	115,218	106,397
315	Montrose	109,762	110,133	114,879
316	Harris	24,605	24,689	25,533
339	Leroy	34,878	34,996	37,543
340	Wolverine	215,877	216,605	258,960
341	Viscount	215,063	215,790	198,953
342	Colonsay	241,542	242,357	239,956
343	Blucher	335,493	336,557	430,140
344	Corman Park	432,496	433,956	486,461
345	Vanscoy	426,110	427,548	452,366
346	Perdue	93,865	94,182	96,627
371	Bayne	23,690	23,770	25,070
372	Grant	46,954	47,112	42,159
373	Aberdeen	100,514	100,853	100,806
376	Eagle Creek	15,607	15,660	16,946
		3,069,379	3,079,673	3,278,389
Urban Municipalities				
Town of Aberdeen		6,678	6,700	6,371
Town of Allan		33,964	34,078	37,742
Town of Asquith		7,178	7,202	7,164
Village of Bradwell		7,803	7,829	7,796
Village of Clavet		17,857	17,917	18,226
Town of Colonsay		21,409	21,481	23,011
Town of Dalmeny		16,319	16,374	16,600
Town of Delisle		44,218	44,367	45,162
Village of Drake		3,101	3,112	3,320
Village of Elstow		4,852	4,868	5,000
Village of Guernsey		5,402	5,420	6,936
Village of Kinley		500	502	417
Town of Langham		13,418	13,463	14,140
Town of Lanigan		57,249	57,441	63,657

Municipal Potash Tax Sharing Administration Board

Schedule of Tax Sharing Distributions Made to Municipalities
For the Year Ended December 31

	Budget 2002	Actual 2002	Actual 2001
Saskatoon/Lanigan Area			
Urban Municipalities			
Village of Lockwood	313	314	323
Town of Martensville	15,782	15,835	16,963
Village of Meacham	1,126	1,129	1,062
Village of Perdue	4,652	4,668	5,417
Village of Plunkett	938	941	1,142
Village of Vanscoy	17,257	17,315	16,989
Village of Viscount	13,606	13,651	15,860
Town of Vonda	4,027	4,040	3,884
Town of Warman	19,771	19,837	21,250
Town of Watrous	17,882	17,942	19,221
Village of Young	3,739	3,752	4,301
Village of Zelma	2,001	2,008	2,312
	341,042	342,186	364,266
	3,410,421	3,421,859	3,642,655
Esterhazy Area			
Rural Municipalities			
121 Moosomin	56,239	56,239	60,264
122 Martin	15,687	15,687	16,798
151 Rocanville	369,526	369,527	364,263
152 Spy Hill	547,669	547,670	501,528
153 Willowdale	45,382	45,383	49,456
181 Langenburg	332,994	332,994	375,801
183 Fertile Belt	333,598	333,598	319,771
211 Churchbridge	117,238	117,238	132,625
213 Saltcoats	86,946	86,945	80,094
	1,905,279	1,905,281	1,900,600
Urban Municipalities			
Village of Atwater	408	408	451
Village of Bangor	653	653	734
Resort Village of Birds Point	4,816	4,816	0
Town of Bredenbury	10,829	10,829	4,739
Town of Churchbridge	91,095	91,095	10,495
Town of Esterhazy	8,653	8,653	87,515
Village of Gerald	14,339	14,339	8,448
Town of Langenburg	48,268	48,268	13,650

Municipal Potash Tax Sharing Administration Board

Schedule of Tax Sharing Distributions Made to Municipalities
For the Year Ended December 31

	Budget 2002	Actual 2002	Actual 2001
Esterhazy Area			
Urban Municipalities			
Town of Rocanville	11,591	11,591	45,071
Village of Spy Hill	4,122	4,122	13,599
Village of Stockholm	5,986	5,986	4,584
Village of Tantallon	5,877	5,877	7,830
Village of Welwyn	5,060	5,061	7,520
Village of Yarbo	0	0	6,542
	211,697	211,698	211,178
	2,116,976	2,116,979	2,111,778
Pense Area			
Rural Municipalities			
129 Bratt's Lake	1,992	1,992	2,702
130 Redburn	39,040	39,040	55,170
131 Baildon	14,324	14,324	21,044
159 Sherwood	28,991	28,991	34,322
160 Pense	138,553	138,552	176,519
161 Moose Jaw	70,762	70,762	83,940
189 Lumsden	7,957	7,957	11,904
190 Dufferin	16,960	16,960	22,743
191 Marquis	7,054	7,054	8,233
	325,633	325,632	416,577
Urban Municipalities			
Village of Belle Plaine	2,702	2,702	3,178
Village of Bethune	3,666	3,667	4,655
Village of Briercrest	1,090	1,090	1,551
Village of Disley	598	598	633
Village of Drinkwater	3,088	3,087	4,319
Village of Grand Coulee	3,531	3,531	4,171
Village of Pense	20,570	20,570	26,513
Village of Tuxford	936	936	1,266
	36,181	36,181	46,286
	361,814	361,813	462,863
Total tax sharing - to Statement 2	$5,889,211	$5,900,651	$6,217,296